

CHUBB
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CHUBB®

December 23, 2020

VIA EMAIL and U.S. MAIL

Kenneth A. & Amy Wexler
c/o Nicole Fondrie
55 West Monroe St., Suite 3300
Chicago, IL 60603

Re:	Insured:	Kenneth A. & Amy Wexler
	Policy Number:	1146897609
	Claim Number:	047519003926
	Date of Loss:	1/31/2019
	Writing Company:	Chubb National Insurance Company
	Loss Location:	468 Lakeside Terrace, Glencoe, IL 60022

Dear Mr. & Mrs. Wexler:

This correspondence will serve as Chubb National Insurance Company's ("Chubb") demand for appraisal with respect to the above-referenced insurance claim. As discussed below, Chubb designates Raymond A. Pawlak, GM Consulting – USA, Ray.Pawlak@GMC-USA.COM – Mobile: 630-777-4302, as its appraiser.

This demand for appraisal is made pursuant to the referenced Chubb Policy ("Policy"). The Policy provides coverage for direct physical loss or damage to covered property, subject to all terms, conditions, limitations, and exclusions in the Policy. The Policy provides as follows regarding a party's right to demand appraisal:

Appraisals

If you or we fail to agree on the amount of loss, you or we may demand an appraisal of the loss. Each party will select an appraiser within 20 days after receiving written request from the other. The two appraisers will select a third appraiser. If they cannot agree on a third appraiser within 15 days, you or we may request that the selection be made by a judge of a court having jurisdiction. Written agreement signed by any two of the three appraisers shall set the amount of the loss. However, the maximum amount we will pay for a loss is the applicable amount of coverage even if the amount of the loss is determined to be greater by appraisal. Each appraiser will be paid by the party selecting the appraiser. Other expenses of the appraisal and the compensation of the third

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appraiser shall be shared equally by you and us. However, we will pay your appraiser's fee and the third appraiser's fee if you demanded the appraisal and the full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the third appraiser. We do not waive our rights under this policy by agreeing to an appraisal.

You have presented an insurance claim for property damage to the insured premises allegedly caused by a water event that occurred on January 31, 2019. The Policy has three basic coverages: (1) House; (2) Contents; and (3) Additional Living Expenses. Chubb demands appraisal of the claimed losses under all three coverages as more specifically set forth below:

- **House.** You claim the cost to repair the house is \$2,754,664.00. This amount includes costs associated with, among other things, code related upgrades that are not required, the cost of fixing pre-existing structural defects unrelated to the water damage, mold abatement and elective upgrades. Per our letter of 9/24/20, Chubb has denied coverage for these costs and they are not appraisable.

However, Chubb's building consultant, DBI, prepared an estimate to return the house to its pre-loss condition using materials of like kind and quality. Based on DBI's estimate, Chubb determined that the replacement cost value (RCV) of the loss is \$740,928.00 less mold remediation of \$19,669.00 (for which Chubb already exhausted its \$10,000 sublimit). Chubb also determined that applicable depreciation is \$83,057.00 and, therefore, the actual cash value (ACV) of the loss is \$638,022. We understand that you dispute the amount of RCV and ACV loss set forth in DBI's estimate. Chubb therefore demands appraisal of the amount of RCV and ACV loss set forth in DBI's estimate.

- **Contents.** We understand that you dispute Chubb's assessment of the amount of loss to your contents. Chubb therefore demands appraisal of your contents' loss.
- **Additional Living Expenses.** DBI has projected that their scope of repairs could be completed in six months. We understand that you dispute this timeframe. Chubb therefore demands appraisal on the reasonable length of time to restore the home to a habitable condition.

Chubb demands appraisal of the amount of loss as set forth above. It is Chubb's intent that the appraisal panel appraise all items (other than those excluded from coverage per Chubb's 9/24/20 letter) over which the parties dispute the amount of loss. Accordingly, if there are additional items you claim are lost or damaged, and for which you dispute the amount of loss, please advise.

Within twenty (20) days, please identify your appraiser. Once designated, we will instruct our appraiser to contact your appraiser and proceed with the appraisal. Chubb further requests that, upon designation of your appraiser, you confirm whether he or she has any material interest in the outcome of the appraisal or whether there are any facts that would affect his or her competence or impartiality.

Please also be advised that this appraisal demand is not a waiver of any rights under the Policy or at law. Chubb reserves the right to deny coverage for any reason under the Policy. All terms, conditions, exclusions, and limitations set forth in the Policy are reserved.

We look forward to hearing from you.

Should you have any questions or concerns, please call 704-449-1769 or E-Mail me at Robert.paradis@chubb.com anytime during the claim process.

Sincerely,

Robert Paradis

Bob Paradis
Sr. General Adjuster
Chubb Group of Insurance Companies
P.O. Box 4700, Chesapeake, VA 23320-4700

cc: AON Private Risk Management Insurance Agency, Inc.
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